

Acton Community Housing Corporation

Nancy Tavernier, Chairman

TOWN OF ACTON

Acton Town Hall

472 Main Street

Acton, Massachusetts, 01720

Telephone (978) 263-9611

achc@acton-ma.gov

TO: Board of Selectmen
FROM: Nancy Tavernier, Chair
SUBJECT: Refinancing of LIP Unit
DATE: June 1, 2007

ACHC has been working with one of the affordable home owners who has requested Town permission to refinance his mortgage. This is a routine request with a process set out by DHCD for approval. The steps in this process include:

1. Notification to ACHC by the homeowner
2. An appraisal report for the property
3. A commitment letter from the Lender
4. A letter to the Board of Selectmen seeking Town approval
5. A consent form signed by the Chairman of the Board of Selectmen
6. Submission of the material to DHCD for their final approval

The DHCD has specific rules for the mortgage: it must have a fixed rate through its full term, it must have a current fair market interest rate, it must have no more than 2 points, and it must be no greater than 95% of the Maximum Resale Price of the home which is determined by a formula in the deed rider.

The homeowner has submitted items 1-3 to ACHC and I have sent it on to DHCD for preliminary review, they had concerns about the loan amount requested. We are continuing to work out the allowable loan limit issue and will not be ready to submit this request to the Selectmen for your June 4 meeting, although there is an outside chance it will be ready on Monday.

Therefore, **ACHC requests the Board to authorize the Chairman to sign the consent form that goes to DHCD that indicates Town approval of the refinancing.** We would not prepare this form until such time as we have heard from DHCD that they will approve the request. Because this is a time critical matter, waiting until your June 25 meeting may cause undue hardship to the homeowner. We would expect to have the consent form ready within the next 10 days. This is a sample of what Dore' would be authorized to sign:

CONSENT FORM

The Town of Acton acting and through its Chief Elected Official, pursuant to a Deed Rider annexed of a certain deed from XXX to XXX, dated April 22, 1999, recorded in the Middlesex South District Registry of Deeds at Book Number XXX and Page Number 80

hereby consents to the encumbrances of the property located at XXX Street, Acton, Massachusetts by a mortgage to Middlesex Savings Bank in the amount of \$95,000 dollars given by said XXX and recorded with the Middlesex South District Registry of Deeds. Executed as a sealed instrument this 19th day of September, 2005.

Town of Acton

By: _____
Authorized Signature

Thank you for your cooperation.